



## **BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI**

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### **THE OPINIONS BELOW**

The opinion of the District Court is published in 50 F. Supp. 891, and is at pages 19-38 of the record, and the opinion of the Court of Appeals is published in 140 F. 2d 387, and is at page 486 of the record.

### **JURISDICTION**

The petition sets forth, on page 2, the grounds on which jurisdiction is invoked.

### **STATEMENT OF THE CASE**

The facts directly pertinent to the questions presented by the petition are set forth on pages 2-6, under the caption "Summary and Short Statement of the Matters Involved". Other pertinent facts are set forth in findings and in the evidence.

The findings are:

- "21. Plaintiffs' evidence shows that it is a practice of some trade-mark proprietors to use for different items of the same merchandise or for kindred items of merchandise different trade-marks which by resemblances in some dominant or distinctive feature are intended to show the kinship of the merchandise items to a common source and that such proprietors have advertised their trade-marks of this character to the purchasing public.
24. Plaintiffs' evidence shows various instances in which 'Pennzoil' and 'Greenzoil' are sold by the same jobbers. Plaintiffs' evidence also shows that it is customary at filling stations to sell premium grade and

secondary grade motor lubricating oils, and that at many stations both 'Greenzoil' and 'Pennzoil' are sold and displayed for sale in juxtaposition or in juxtaposed racks and that in all cases where both 'Greenzoil' and 'Pennzoil' are sold at the same stations, 'Pennzoil' sells at 33¢ or 35¢ per quart and 'Greenzoil' never above 25¢ per quart, and in many stations at 20¢ per quart and 15¢ per quart." (Record pp. 43, 44).

The practice set forth in Finding 21 is pertinent on the question of colorable imitation. The kinship of origin of the merchandise items, as a matter of legitimate practice, is exemplified, with respect to registered trade-marks, by plaintiffs' exhibits 17, 18 (relating to petroleum products) and 19, and with respect to advertised trade-marks by plaintiffs' exhibit 20. (Record, pp. 432-463).

In his opinion the District Judge found "that some of the distributors of motor lubricating oils sell two grades of oil under variant trade names, as for instance 'Veedol' and 'Tydol', both products of the Tide Water Oil Company of Pennsylvania" (Record, p. 24). Plaintiffs' witness, Daves, a filling station operator, carried "Veedol" and "Tydol" motor lubricating oils, selling respectively at 35¢ and 25¢ per quart; in addition he carried "Friend Penn" and "Your Friend" motor lubricating oils, products of Billups Petroleum Company, selling respectively at 35¢ and 25¢ per quart, and "Zerex" and "Zerone" anti-freeze compounds, products of Du Pont, selling respectively at \$2.65 and \$1.00 per gallon. These are all instances of legitimate practice where the proprietor's intention is to show the kinship of the different merchandise items to a single source of origin. However, along with these legitimate variants, Daves also carried "PENNZOIL" at 35¢ per quart and "GREENZOIL" at 25¢. (Record, pp. 252-254).

The evidence of defendant's Secretary, Bowles, testifying under subpoena at plaintiffs' instance, is in accord. Many years after plaintiffs adopted and registered "PENNZOIL", defendant's predecessor commenced the use of "Crownzol" for gasoline (Finding 22 and answer to plaintiffs' interrogatory 53, Record, pp. 43, 44; 53). Among the reasons assigned by Bowles for the adoption of "GREENZOIL" is that it bears a "family relationship" to "Crownzol". The pertinent testimony is as follows:

"Q. Then, am I to understand that in adoption of the notation GREENZOIL you took into account the fact that in the syllable 'ZOIL' it would have a feature in common, or substantially in common, with the notation 'CROWNZOL'? A. With CROWNZOL.

\* \* \* \* \*

A. We were tying it up with that.

Q. Did you thereby consider that sales advantages would be derived?

\* \* \* \* \*

A. It is possible that we did. I assume that we wanted to have these two to be sold together.

Q. In other words, it was contemplated that the common feature of the two notations would suggest family relationship between the products, is that right?

A. I would say it was." (Record, pp. 301, 302).

Thus, in the Courts' findings and in the evidence on plaintiffs' behalf there is substantial affirmative support for the proposition of confusion of origin in the sale and purchase of the merchandise upon which "PENNZOIL" and "GREENZOIL" are used, namely, motor lubricating oils.

### ERRORS ASSIGNED

The errors assigned sufficiently appear in "The Questions Presented" (ante, pp. 8-9).

## ARGUMENT

The validity of "PENNZOIL" was challenged under the following proviso of Section 5 of the Act (15 U. S. C. A. 85):

"That no mark which consists \* \* \* merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, or merely a geographical name or term, shall be registered under the terms of this Act".

On this issue, the Courts' assumption of validity "for the purposes of this case" is a judicial determination which forecloses the question. It is a determination of the validity of "PENNZOIL" as a technical trade-mark.

Section 5 follows the common law. At common law "suggestive" trade-marks have always been recognized as technical trade-marks (*N. K. Fairbank Co. v. Central Lard Co.*, 64 F. 133, 135, holding valid "Cottolene" as a lard substitute; *Pennsylvania Salt Mfg. Co. v. Myers*, 79 F. 87, 89, holding valid "Saponifier" for concentrated lye; *Consolidated Ice Co. v. Hygeia Distilled Water Co.*, 151 F. 10, 11, C. C. A. 3rd, an action under the common law in which the Court held valid "Hygeia", as applied to distilled water). The intent of the statute has been well stated by Judge Learned Hand:

"The mark may be so far from colloquial language as not to be confused with any descriptive phrase, and yet convey the same meaning. This distinction section 5 of the statute means to preserve." (*Oakland Chemical Co. v. Bookman*, 22 F. 2d 930, 931, C. C. A. 2d).

Accordingly under Section 5 all technical trade-marks are admitted to registration on an equal footing. There are no categories of, or distinctions between, trade-marks "purely arbitrary" and those not "purely arbitrary". The sole requisite is that the mark be not merely descriptive

of the goods, their character or quality, or merely a geographical name or term.

Under Section 16, all trade-marks registered under Section 5 are given equal protection. The registration is "prima facie evidence of ownership". The "owners" are uniformly protected against "colorable imitation" without any discrimination, restrictions or limitations. Under Section 16 "colorable imitation" is wholly factual. If the fact be found there is no statutory basis for denying its existence or for withholding relief.

The lower Courts' determination of the issue of "colorable imitation" is no less affirmative because expressed in subjunctive form. Stripped of qualifications, the determination is found in the following passages:

"\* \* \* it is conceivable that 'Greenzoil' might be considered a colorable imitation of 'Pennzoil'. It is true that six letters in the alphabet forming the word 'Greenzoil' also appear in the word 'Pennzoil'. \* \* \* 'Greenzoil' applied to the same kind of product might be regarded as colorable imitation." (Record, p. 31).

With this determination all of the statutory requirements for relief are fulfilled.

However, the lower Courts denied relief. They held, in substance, that "GREENZOIL", although factually a colorable imitation, is not a colorable imitation under the Act, and based this conclusion upon discriminations which have no basis either in the Act or at common law. The complete passage with the discriminations indicated by italics is as follows:

"*In other circumstances* it is conceivable that 'Greenzoil' might be considered a colorable imitation of 'Pennzoil'. It is true that six letters in the alphabet forming the word 'Greenzoil' also appear in the word 'Pennzoil'. *And if 'Pennzoil' was a purely arbitrary*

mark not describing or suggesting either 'oil' or 'Pennsylvania', but some entirely different product, 'Greenzoil' applied to the same kind of product might be regarded as colorable imitation. \* \* \* Then again 'Pennzoil' as a mark for Pennsylvania lubricating oil is distinctly descriptive or at least suggestive \* \* \*. 'Greenzoil' carries no such suggestion with respect to the geographical origin of the oil. Its suggestiveness is of color, green." (Opinion, Record, pp. 31, 32).

This is, essentially, a holding that where a technical trade-mark, because of a suggestive meaning, is not "purely arbitrary", colorable imitation, although a fact, cannot be found under the statute if the accused mark has a different suggestive meaning. This is the sole ground for the denial of relief.

Substantive law furnishes no basis for this holding. It has never recognized a mere difference in meaning, without more, as a defense. (*Williams Waltke & Co. v. George H. Schafer & Co.*, 263 F. 650, 652, D. C. App.; *N. K. Fairbanks Co. v. Ogden Packing & Provision Co.*, 220 F. 1002, 1003, D. C. Utah; *Kroger Grocery & Baking Co. v. Blue Earth Canning Co.*, 88 F. 2d 725, 726, C. C. P. A.)

It is accordingly submitted that the lower Courts disregarded the terms and intent of Section 16 of the Trade-Mark Act of 1905, and failed, or refused, to accord petitioners, as the "owners" of the trade-mark "PENNZOIL", the relief against infringement which the Act confers.

The holding is in conflict with the decisions of this Court in *Thaddeus Davids Co. v. Davids*, 233 U. S. 461, 468, 469, and *Armstrong Co. v. Nu-Enamel Corporation*, 305 U. S. 315, 332, 333.

The *Thaddeus Davids* decision clearly points out, and stresses, the mandatory nature of the Act in the require-

ment for the protection of the "owners" of registered trade-marks against colorable imitation. Justice Hughes, delivering the opinion of the Court, said:

"Having the right to register its mark, the complainant was entitled to its protection as a valid trade-mark under the statute. As defined in section 29, 'the term 'trade-mark' includes any mark which is entitled to registration under the terms of this act.' \* \* \* The further argument is made that, assuming that the complainant has a valid registered trade-mark, still the protection is limited to its use when standing alone (as the complainant has used it on its labels) and that there can be no infringement unless it is used in this precise manner. The statutory right cannot be so narrowly limited. Not only exact reproduction, but a 'colorable imitation' is within the statute; otherwise the trade-mark would be of little avail as by shrewd simulation it could be appropriated with impunity. The act provides (section 16: 'Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark \* \* \* and shall use, or shall have used, such reproduction, counterfeit, copy or colorable imitation in commerce among the several States \* \* \* shall be liable \* \* \*' This provision applies to all trade-marks that are within the act \* \* \*."

In the *Nu-Enamel* case, the District Court refused to give effect to the Trade-mark Act of 1920, adopting an interpretation at variance with the terms of the Act. Concerning this departure from the statute, the decision states:

"This Court has had several occasions within the last few years to construe statutes in which conflicts between reasonable intention and literal meaning occurred. We have refused to nullify statutes, however hard or unexpected the particular effect, where unambiguous language called for a logical and sensible result. Any other course would be properly condemned as judicial legislation. However, to construe



statutes so as to avoid results glaringly absurd, has long been a judicial function. Where, as here, the language is susceptible of a construction which preserves the usefulness of the section, the judicial duty rests upon this Court to give expression to the intentment of the law."

Apart from cases turning on purely equitable defenses, none of which are involved here, petitioners have been unable to find any decision of any Federal Court charged with the administration of the Trade-Mark Act of February 1905, or of earlier acts, comparable to the decision of the lower Courts in this action, that is to say a decision wherein the validity of the registered mark has been assumed or determined, colorable imitation by the accused mark competitively used has been found, or conceded, as a fact and the relief which the statute confers has been denied.

The lower Courts' denial of relief, therefore, presents important questions never passed upon by this Court and which involve (1) the power of the lower Courts, on the assumption or determination of the validity of the registered mark and the finding or concession of colorable infringement by an accused trade-mark competitively used, to deny the relief which the statute confers, and (2) whether colorable imitation in fact can be ruled out as not being colorable imitation under the Act, because, without more, the registered and accused marks have different specific suggestive meanings.

Substantive rights, under the Act, are not rigidly confined in a narrow historic frame. Their determination and definition are matters of progressive evolution. Justice Holmes has pointed out that the monopoly of a trade-mark "deals with a delicate matter that may be of great value but that easily is destroyed, and therefore should be pro-

tected with corresponding care" (*Bourjois & Co. v. Katzel*, 260 U. S. 689, 692). In the general public interests "with the tremendous development in modern methods of selling and advertising, trade-mark protection has become a matter of national concern affecting interstate commerce even where a trade-mark may be used predominantly within the boundaries of only a few states, and security of business and commerce demand the establishment of more effective statutory safeguards and protection."\*

In the seventy-five years which have elapsed since the first federal trade-mark statute (1870) there has been no decision of this Court definitive of "colorable imitation" or suggestive of any concrete or specific standards for its determination. In the meantime the Judiciary Act of 1891 created the nine Circuit Courts of Appeals, since enlarged to ten, each, with due regard to comity, autonomous and final in its decisions in the interpretation and administration of federal trade-mark statutes save in the period when direct appeals to this Court were allowed.

The administration of the Trade-Mark Act is divided between the Constitutional Courts, that is to say, the ten Circuit Courts of Appeals and the District Courts, and in addition the District Court and the Court of Appeals of the District of Columbia, and the administrative tribunals of the Patent Office, including the United States Court of Customs and Patent Appeals. Moreover, *ex parte* and *inter partes* cases originating in the Patent Office in application, opposition and cancellation proceedings, may be brought into the Constitutional Courts under R. S. Section

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\* Walter J. Derenberg, "Trade-Marks Ante Portas", Yale Law Journal, Volume 52, September 1943, p. 829 (a review of trade-mark cases under the Act of 1905 in which certiorari has been granted and denied).

4915 (35 U. S. C. A. 63). "Colorable imitation" under Section 16 of the Act, within the province of the Constitutional Courts, has the same meaning as "likely to cause confusion or mistake in the mind of the public or to deceive purchasers" in Section 5 of the Act within the province of the administrative tribunals and also, under R. S. Section 4915, of the Constitutional Courts (*Century Distilling Co. v. Continental Distilling Corp.*, 23 F. Supp. 705, 707).

Since the passage of the Act, there have been hundreds of decisions by the administrative tribunals of the Patent Office and the Constitutional Courts which have turned upon the question of confusing similarity or colorable imitation. Many of these are irreconcilable, due to lack of agreement as to rules or standards for the determination of "colorable imitation". In a number of cases there has also been conflict on this question in respect to the same registered trade-mark between the decisions of administrative tribunals and the Constitutional Courts. In fact, such a conflict exists in respect to petitioners' mark "PENNZOIL", between the decision of the Circuit Court of Appeals and an earlier decision (1930) of the Commissioner of Patents (*The Pennzoil Company vs. The Canfield Oil Company*, 5 U. S. P. Q. 433) in a proceeding opposing the registration of "Canzol" for gasoline by reason of petitioners' rights in "PENNZOIL". Both parties took testimony and the decision of the Examiner of Interferences, sustaining the opposition, was appealed to the Commissioner of Patents, who affirmed, refusing registration because the resemblances of "Canzol" to "PENNZOIL" were such "as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers", (Section 5 of the Act of 1905). The *Canzol* decision cannot be reconciled with the ruling of the Circuit Court of Appeals that an etymological

difference, without more, avoids "colorable imitation" under the statute.

It is submitted that the questions presented are important; that, colorable imitation having been found as a fact, the duty of the Court to enforce the statute is clear; and that, having regard to the evolution of substantive law since the passage of the Federal Trade-mark Acts, to the many cases which have been decided under the Act of 1905, to the irreconcilable conflicts between a number of the decisions of the courts and tribunals acting autonomously, and the lack of uniformity of agreement as to the rules or standards for the determination of the question of colorable imitation, the need for clarification is pressing and the opportunity for it is furnished by this case.

Respectfully submitted,

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Attorneys for Petitioners.



The Pennzoil Company, a corporation of California.

# UNITED STATES PATENT OFFICE.

PANAMA LUBRICANTS COMPANY, OF LOS ANGELES, CALIFORNIA.

TRADE-MARK FOR LUBRICANTS

111,759.

Registered Aug. 1, 1916.

Application filed January 12, 1915. Serial No. 93,063.

## STATEMENT.

*To all whom it may concern:*

Be it known that PANAMA LUBRICANTS COMPANY, a corporation duly organized under the laws of the State of California, and located in the city of Los Angeles, county of Los Angeles, in said State, and doing business at No. 2624 Santa Fe avenue, in the city of Los Angeles, State of California, has adopted and used the trade-mark shown in the accompanying drawing, for lubricants, in Class No. 15, Oils and greases.

The trade-mark has been continuously used in the business of said corporation since December 28th, 1915.

The trade-mark is applied to the packages containing the goods, by placing thereon a printed label on which the trade-mark is shown.

PANAMA LUBRICANTS COMPANY,

By A. Y. SOULÉ,

*Secretary.*

**PENNZOIL**

## DECLARATION.

State of California, county of Los Angeles, ss:

A. Y. SOULÉ, being duly sworn, deposes and says that he is the secretary of the corporation, the applicant named in the foregoing statement; that he believes the foregoing statement is true; that he believes said corporation is the owner of the trade-mark sought to be registered; that no other person, firm, corporation, or association, to the best of his knowledge and belief, has the right to use said trade-mark in the United States, either in the identical form or in any such near resemblance thereto as

might be calculated to deceive; that said trade-mark is used by said corporation in commerce among the several States of the United States; that the description and drawing presented truly represent the trade-mark sought to be registered; and that the specimens shows the trade-mark as actually used upon the goods.

A. Y. SOULÉ.

Subscribed and sworn to before me, a notary public, this 6th day of January, 1916.  
[L. s.]

C. S. JAMES,  
*Notary Public.*

Copies of this trade-mark may be obtained for five cents each, by addressing the "Commissioner of Patents, Washington, D. C."









